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SUBJECT: OMAN MEDIA REACTION

¶1. SUMMARY: Editorials over the past week have primarily focused on visits by Sultan Qaboos to Libya, Egypt, and Jordan, and have stuck safely to standard language and praise. On regional issues, private daily "AL-Watan" noted that Palestinians should expect little from the visit of the U.S. Secretary of State, given Israel's ongoing settlement activity. Another editorial in the same paper hoped that China's future of the Chinese will be brighter after the current Olympics as a result of public discussion of political and economic reforms. State-owned Arabic daily "Oman" deplored dropping oil prices and a potential glut on world markets. END SUMMARY

THE SECRETARY IN THE REGION: "NOTHING NEW"

¶2. The private Arabic daily "Al Watan" (circulation 42,000) expressed hopelessness on August 13 about the expected visit of the Secretary of State to Palestine, suggesting that there are already signs that Israel is not ready for any peace in the region and calling it "A Visit that Brings Nothing New":

"Palestinians await another visit from the U.S. Secretary of State Condoleezza Rice during this month to assess the ongoing negotiations with the Israeli side - and whether they will fail or reach a satisfactory end for both sides... However, given Israeli practices in real life, and their violations of resolutions, will the visit be worth waiting for? Israeli bids for the establishment of more settlements and expansions of existing ones in occupied Jerusalem and the West Bank confirm the theory of a plan existing to steal the remaining Palestinian territories. In all, however, waiting for Rice to announce the failure or success of negotiations is a good step, one that throws the ball to the U.S. so they cannot blame the Palestinians, who were keen until the last moment to reach real peace, while the other side is neither willing nor seeking any peace."

A "FAIR PRICE" FOR OIL

¶3. On August 14, government-owned Arabic daily "Oman" (circulation 38,000) called OPEC and oil-producing countries to find ways to fix oil prices so that fluctuations do not harm their interests, in "The Fair Price of the Oil Barrel":

"World oil markets have seen sharp retreats... Analysts confirm that the reason for the high prices in oil is political tensions and not scarcity of supplies. Then, why the sharp decline? It can be said that oil markets are already loaded with supply that is exceeding demand, so that speculators are no longer able to seek opportunities and exploit political tensions to reap quick profits... From this, OPEC and the oil-producing countries need to determine a fair price protect their own interests and the interests of consumers. Having prices fall to what they were a decade ago is not acceptable in the

perspective of developmental plans for the oil-producing countries, which are mostly developing countries."

WHITHER THE DRAGON?

¶4. "Al-Watan" on August 15, lauded the spectacular and organized activities of the Chinese Olympics and hailed the possibility of opening a new door of economic and political reforms despite a "Future of Uncertainties for the Chinese Dragon":

"How does the future look for the Chinese dragon after the Olympics Summer Games? Will there be fresh air in the form of genuine economic reforms, expanded political changes, and concern for the environment, or will they continue to give empty speeches excusing government interference in everything? Today, despite the spectacular celebrations and the start of competition around the stadium in Beijing, these are still questions without clear answers.

The regime in China wanted us to believe that a broad reform is not only inevitable, but also a reflection of their intentions and goals. President Hu Jintao summed up plans for economic and political reforms during the Olympic Games, describing them as "comprehensive". Despite this, it is worth noting the difficult process they will have to go through because of the firm and longstanding ideologies that resist such change."

GRAPPO